



FY 2003 Nationwide Challenges

- 33 states show revenue shortfalls
- 26 states had to lower their revenue estimates after the beginning of their fiscal year
- 24 states show Medicaid and health care programs over-budget



FY 2003 Net Budget Pressures

(\$ in millions)

	<u>Amount</u>	<u>Percentage</u>
Economy		63%
• <i>Potential net revenue shortfall</i>	\$52.5	
• <i>Increased demand/higher utilization</i>	\$27.4	
Court Order-Related	\$13.0	10%
Emergencies – Snow Removal	\$3.1	2%
Management Issues	\$11.0	9%
Other	\$21.0	16%
TOTAL NET BUDGET PRESSURES	\$128.0 million	

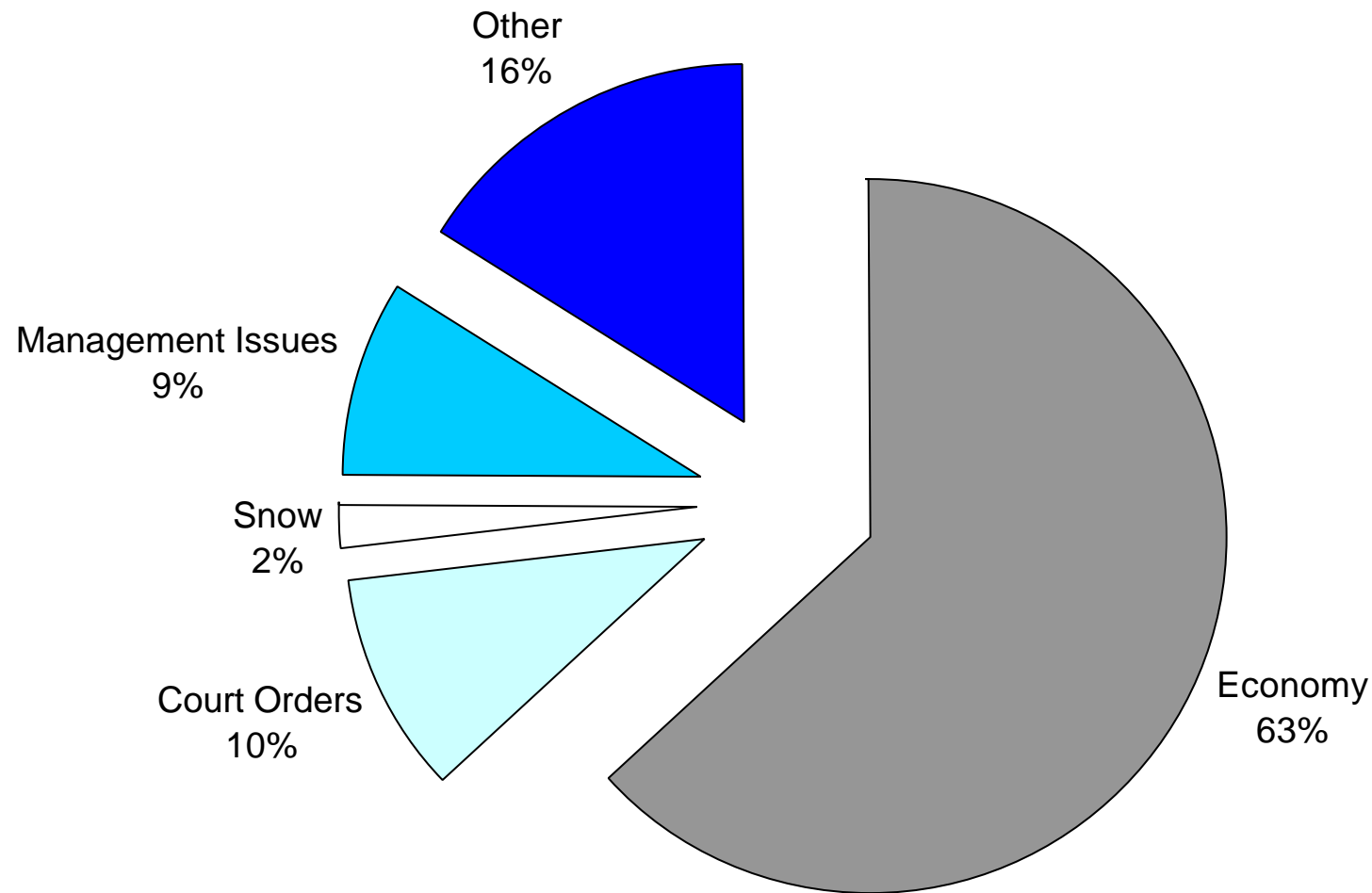
Government of the District of Columbia
Office of the Chief Financial Officer

FY 2003 Net Budget Pressures
(\$ in millions)

Pressures	Comment	Amount	%
Economy:			
Potential Net Revenue Shortfall	Planning estimate for revenue shortfall (not a revised estimate)	\$ (52.5)	
Increased Demand/Higher Utilization	Health Care Safety Net (\$10.5m); Medicaid operations - higher state costs (\$13m); and Unemployment Compensation Fund (\$3.9m).	<u>(27.4)</u>	
Subtotal, Economy		(79.9)	63%
Court Order Related	MRDDA (\$12m) and Youth Services Administration (\$1m).	(13.0)	10%
Emergencies	Snow Removal	(3.1)	2%
Management Issues	Surplus TANF funds used in prior years	(11.0)	9%
Other	Police Overtime (\$7.3m); Corrections Overtime (\$5.1m); CFSA out-of-state tuition payments (\$3.8m); CFSA Medicaid audit (\$2.4m); and Summer Youth Program (\$2.4m).	(21.0)	16%
Total, Net Budget Pressures		\$ (128.0)	100%



Source of FY 2003 Budget Pressures





FY 2003 Net Budget Pressures

Potential Options (\$ in millions)

Emergency Cash Reserves

(To be replenished in FY 2004)

\$3.1

FY 2001 and FY 2002 Budgeted Reserve Carryover

(Of the \$45 million available, \$17 million is earmarked for specific programs and \$21 million is earmarked to address revenue shortfalls, leaving \$ 7 million.)

\$28.0

Use of Fund Balance Equivalent to Revenue Recovery

(FY03 revenue loss \$52.5 mil. minus FY04 revenue loss \$23.9 mil.)

\$28.6

Subtotal \$59.7

Recurring Program Cuts Needed

\$68.3

TOTAL \$128.0 million